

TO: Nancy Brennan  
FROM: Gerard Johnston  
SUBJECT: 1985 FIRST REVISED BUDGET

DATE: May 6, 1985

Attached is the detailed 1985 First Revised Budget calendarized by account for Merit Brand Promotions. Detail is given by month for the second quarter and on a quarterly basis for the remainder of the year.

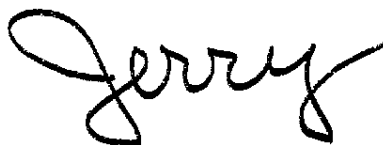
Budgeted expenses were calendarized based on my meeting with Ellen Merlo in late March. In summary, the budget has been reduced by \$841,400 when compared to Original Budget. The following major points are included:

- A-1 Incentive - The July duffle bag incentive is budgeted at \$1,523,900 - an increase of \$269,300 from Original Budget. This is based on 830,000 incentives plus a 2% overrun at a unit cost of \$1.80.
- Brand Test Program - Due to the cancellation of the Merit Challenge, \$242,500 in available funds have been transferred to the A-1 Incentive account.
- 2 Pack Incentive - The June sunglasses incentive is budgeted at \$3,914,000 - a reduction of \$635,200 from Original Budget. This is based on 4.4 million incentives plus a 2% overrun at a revised unit cost of \$.872.
- Merit Harbor Lights - Due to a reduced number of festivals, this budget has been reduced by \$500,000. Please keep me advised of the status of this program.
- Merit Box Introduction - As a result of higher than budgeted expenses for the introduction of Merit Box, \$266,800 has been added to the budget.

If you have any questions or would like to discuss your budget in further detail, please call me on extension 3511.

GJ/lm  
Attachment

cc: R. A. Fitzmaurice  
E. Merlo  
D. W. Riegel



2044369349